



REPORT TO THE CITY COUNCIL

AGENDA ITEM NO.	
COUNCIL MEETING	3/1/2012
APPROVED BY	
DEPARTMENT DIRECTOR	
CITY MANAGER	

March 1, 2012

FROM: RUSSELL C. WIDMAR, AAE
Director of Aviation

SUBJECT: AUTHORIZE DIRECTOR OF AVIATION TO EXECUTE AMENDMENT NO. 1 TO A LAND LEASE AND AGREEMENT BETWEEN SANDHU BROTHERS AND THE CITY OF FRESNO – AIRPORTS DEPARTMENT, LOCATED AT 3147 NORTH CLOVIS AVENUE, FRESNO, CA.

RECOMMENDATION

That the Council authorize the Director of Aviation to execute Amendment No. 1 to a Land Lease and Agreement (Lease) between the Sandhu Brothers (Sandhu) and the City of Fresno – Airports Department (Department), located at 3147 North Clovis Avenue, Fresno, CA.

EXECUTIVE SUMMARY

Under the Lease Sandhu has been operating a "Johnny Quik" Food Store and Chevron gas station since April 2005. The approved uses include, (i) a "Johnny Quik" Food Store, (ii) a carwash, (iii) an automobile fuel dispensing facility, and, (iv) a Quik Serve Restaurant with drive thru (i.e., Port of Subs). Amendment No. 1 modifies the permitted uses to add U-Haul truck rental and check cashing operations, and rental adjustments related to the new uses.

BACKGROUND

In October 1998 the Department executed the Lease with Beal Properties, Inc. for a "Johnny Quik" Food Store and Chevron gas station. In April 2005 Sandhu assumed the Lease. Amendment No. 1 will, (i) enhance services offered to the public, (ii) improve the viability of the business, and (iii) provide additional revenue to the Department by including provisions for 10% of gross receipts of all U-Haul Rental operations. The 10% is consistent with industry standards for vehicle rentals at airport facilities and on airport owned land. All other terms will remain in effect during the life of the Lease. In November 2011 the Development Department approved an amendment to Conditional Use Permit C98-231 for the new land uses.

FISCAL IMPACT

There is no impact to the General Fund from this item. The increase of revenue from Amendment No. 1 will be deposited into the Department's Enterprise Fund.